

NEWS FROM ED MARKEY

United States Congress

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FOR IMMEDIATE RELEASE

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ENRON WAS NOT ALONE, SEC RECOGNIZES AIDERS AND ABETTORS SHOULD BE HELD RESPONSIBLE TO INVESTORS

WASHINGTON, D.C. – Representative Edward J. Markey (D-MA), a senior Democratic Member of the House Energy and Commerce Committee and former Chairman of the Subcommittee on Telecommunications and Finance, released the following statement on the announcement by the Securities and Exchange Commission settlement with the aiders and abettors of Enron's defrauding of investors:

"Today, two of Wall Street's most prominent firms agreed to pay a total of \$255 million to settle charges with the SEC that they aided and abetted Enron's efforts to defraud investors. The announcement is welcome news, and it is an important milestone in the ongoing investigation of massive manipulation and corporate fraud at Enron.

"Since Enron declared bankruptcy, it has been clear that the complex transactions Enron used to mislead the markets weren't cooked up by Enron alone. Accounting firms, brokerages and other professional service firms were eager accomplices in weaving a web of lies that ensnared unsuspecting investors and devastated the retirement savings of workers across the country.

"While today's announcement certainly is a step in the right direction, it's important to remember that, while the SEC can pursue enablers of securities fraud, individual investors still do not have the power to bring such suits due to the Supreme Court's ill-considered ruling in the *Central Bank* case. Today's announcement shows that the SEC is taking action against those who assist in the perpetration of securities fraud. Still, the SEC is unable to pursue every meritorious case. In fact, we recently learned that the SEC has not spent millions of dollars in funding because it can't find enough qualified candidates to hire to staff its inquiries and investigations.

"I continue to support giving average investors the ability to bring suits against firms that provide the expertise that enables securities fraud. Putting this power in the hands of investors would complement the SEC's authority to pursue aiders and abettors and create an even greater disincentive for such corporate misbehavior in the first place."

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